

CAPE FLATTERY SCHOOL DISTRICT No. 401
Clallam County, Washington
September 1, 1992 Through August 31, 1994

Schedule Of Findings

1. The District Should Enforce Payment Of Rents And Establish Rental Rates Sufficient To Cover Costs

The district owns 11 residential rental homes, three homes in Clallam Bay and seven homes in Neah Bay. The district rents these homes first to employees, and any vacancies are then rented to nonemployees.

The district established the rents on the basis of square footage of each home. Rental rates range from \$42.26 to \$210.73 per month. There is no board resolution authorizing these rates. Furthermore, the district does not have any formal rental agreements or contracts with the renters.

We prepared a cost/profit analysis of the district's costs of maintaining and operating these rentals, and calculated an actual loss of \$4,022 and estimated loss of \$1,765 for the 1994-95 and 1993-94 school years, respectively.

We also noted repeated instances of late payments from district employees, one employee has not paid rent for 19 months and currently owes the district \$1,472.

By not requiring employees to pay their rent in a timely manner, the district is effectively providing free housing to these employees at taxpayers' expense.

By not recovering maintenance and operational costs, and not requiring employees to pay their rents in a timely manner, district officials have not effectively managed the district's assets. District officials believe that providing affordable housing is necessary to recruit and keep teaching staff.

We recommend the district:

- a. Collect rent from all renters and consider collecting rent from employees through payroll deduction.
- b. Establish rental agreements for all renters.
- c. Establish rental rates based upon costs of maintaining and operating the rental units.
- d. Set rental rates by board resolution.

2. School Enrollment Reporting And Record Keeping Should Be Improved

Our review of student enrollment reports and records disclosed that the district's Neah Bay High School did not retain adequate student enrollment records for the 1994 and 1993 school years.

The high school did not retain class lists by month and we were not able to verify total enrollment reported. Also, we were not able to verify enrollment changes from October 1994 through December 1994 from the school's add/drop control log.

RCWs 28A.41.055 and 28A.41.170 require appropriate records be retained to substantiate the accuracy of the district computations for full-time-equivalent (FTE) students enrollment.

Due to the lack of adequate enrollment records, we were unable to verify that the district received the proper state funding.

We recommend the district retain detailed monthly class enrollment records, and update their control log on a continual basis to ensure their enrollment and change in enrollment can be verified.